

To Members of the California State Senate:

I am returning Senate Bill 1401 without my signature because the impetus of the study required in the bill is contrary to the direction that my Administration has proposed regarding pension reform and costs. The findings from this study would be used to determine whether the retirements benefits paid to this specific retiree group are enough; these findings could lead to asking for more benefits to be paid out.

This bill would require the California Public Employees' Retirement System (CalPERS) to conduct a study of the adequacy of retirement benefits paid to state members, and their survivors and beneficiaries, who meet specified criteria. CalPERS is required to report its findings to the Legislature and the Governor by December 31, 2005.

CalPERS recently undertook a benefit adequacy study reporting on the adequacy of benefits for career employees with 25 to 30 years of service. The results of that study were reported to the CalPERS board in July 2000 and July 2002. There is no need for another study at this time as current reports are sufficient for assessing the adequacy of retirement benefits paid to certain state retirees.

Until such a time as our fiscal house is in order, it is inappropriate to require additional reporting requirements on any state department or agency for reports that would not further reform government spending.

Sincerely,